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Center for Transatlantic Relations



Atlantic Energy Forum Summary Quintana Roo, Mexico November 8-9, 2014

Eminent Persons from the public and private sectors in Africa, Europe, North and South America met in Quintana Roo, Mexico met for the first-ever <u>Atlantic Energy Forum</u> to chart new paths for pan-Atlantic cooperation, at the invitation of the <u>Center for Transatlantic Relations (CTR) at</u> <u>Johns Hopkins University SAIS</u>, particularly CTR Distinguished Fellow and former President of the Government of Spain José Maria Aznar; CTR Executive Director Prof. Daniel Hamilton; and Atlantic Energy Forum Director Pablo Casado. The Atlantic Energy Forum is part of the larger <u>Atlantic Basin Initiative</u>, facilitated by Johns Hopkins University's Center for Transatlantic Relations.

The context for the Atlantic Energy Forum is a dawning realization that the global energy map is being redrawn by a series of energy revolutions – shale, offshore, low carbon -- that together are creating an Atlantic Energy Renaissance. These revolutions are transforming global energy flows in significant ways:

- We are seeing a westward shift in the global center of gravity for energy supply into the Atlantic Basin, driven by recent, significant expansion in Atlantic energy resources.
- We see an eastward shift in the global center of gravity for energy demand into-the Asia-Pacific.
- The traditional pattern of 'net westward global energy flows' are drying up and reversing to become 'net eastward or 'Asia-bound' global energy flows.
- The Atlantic Energy Renaissance is also setting the global pace for energy innovation and renewables.
- The Atlantic Basin is now a central energy reservoir for the world and will become even more so in coming decades. Atlantic Basin countries are increasingly bound together through the production, trade, transit and consumption of energy.

#### **Background Papers**

- o <u>An Atlantic Energy Renaissance</u>
  - The Eminent Persons of the Atlantic Basin Initiative
- <u>An Introduction to the Future of Energy in the Atlantic Basin</u> Paul Isbell
- <u>Brazil and Africa: Integration and Development through Expanding Energy Linkages</u> Chris Cote and Mark S. Langevin
- <u>The African Hydrocarbons Boom: Its Impact on Atlantic Basin Energy and Energy Relations with</u> the Non-Atlantic World Benjamin Augé
- <u>Mapping the Atlantic Changing Atlantic Connections</u> Center for Transatlantic Relations



The Atlantic is<u>becoming more</u> deeply interconnected in terms of energy flows, but lags in terms of energy cooperation. Moreover, the Atlantic's great energy wealth has yet to be tapped to address persistent energy poverty across the Atlantic space.

There was agreement that the Atlantic Energy Forum provides a useful venue for mutual learning and exchange of experience among diverse Atlantic actors, to consider how to share the Atlantic Energy Renaissance to benefit the peoples of the Atlantic. The Forum is advantaged by its unique composition of high-level private and public actors who are not bound to government timetables yet can raise awareness and catalyze action to tap the Atlantic's energy wealth and address issues of Atlantic energy poverty. Other initiatives tend to be formed with an "us" vs. "them" approach; the Atlantic Energy Forum, as well as the broader Atlantic Basin Initiative of which it is a part, is focused on "we" and transcends such divisions. It also offers a particular opportunity for African and Latin American leaders to create closer connections. Its strength lies in inviting those with shared values as well as interests, and in being primarily non-governmental. The Forum should be demand-driven; consider itself a mixed 'think-and-do tank; and play to its strengths as a valueand personality-driven network of reform-minded individuals able to harness their extensive public and private experience to drive greater cooperation across the Atlantic Hemisphere.

## **Future Activities**

• Create an Atlantic Action Alliance for Energy Access and against Energy Poverty, bringing together energy and climate NGOs and action tanks, small- and medium-size enterprises, renewables manufacturers, regulatory officials and policy-makers, financial institutions and representatives of entities working in the realm of sustainable development. This cross-sector alliance would seek to develop mechanisms to put renewables entrepreneurs into contact with finance mechanisms, regulatory officials and policymakers to spark more rapid development. Africa, for instance, cannot achieve near-universal energy access on its own; it needs partnerships. The goal should be to move from 25 percent access today to 85 percent by 2030. This will require solutions beyond connecting people to the grid, which opens opportunities for solar, hydro, biofuels, biomass and other solutions. Energy can be the next African development revolution if African governments can get the proper mechanisms in place. The AEF and its Action Alliance can provide a facilitative platform.

## **Background Papers**

- An Atlantic Action Alliance for Energy Access Olusegun Obasanjo, former President of Nigeria
- <u>Africa's Energy Scenario and the Sustainable Energy for All (SE4All) Initiative</u> Steve Thorne and Jeff Felten
- <u>South Africa, Africa's Energy Future and Regional Economic Integration: Energy as a Way to</u> <u>Power Change</u> Saliem Fakir, Manisha Gulati, Louise Scholtz and Ellen Davies
- Launch an Atlantic Biofuels Initiative, underpinned by the Basin's current global dominance in such energy. It would be useful for practitioners, private and public sector leaders to address
  - the international effort to create an effective multilateral commodity regime for biofuels;
  - collaboration in the realm of biofuels research, development, investment, production, distribution and regulation, particularly regarding next-generation "cellulosic" biofuels technology;



- the potential distortions of, or risks posed by, large-scale public support and/or use of biofuels, to food security, the environment, economic development and trade; and
- rationalization and standardization of current biofuels data, which is plagued by inconsistencies.

Pan-Atlantic agreements in this area would not only advance the industry across the Atlantic Basin, they could form the core of global approaches.

• **Develop an Atlantic Charter for Sustainable Energy** that could help define the terms and principles guiding joint or coordinated Atlantic Basin action in areas ranging from legal frameworks, liberalization of energy trade, promotion and protection of energy investments, modernization of infrastructure, facilitation of affordable energy services, dissemination of relevant best practices, promotion of energy efficiency and energy access, technological development and innovation.

The nascent International Energy Charter, to be initialled in the Netherlands in 2015, was cited as a useful reference and point of departure for such an effort.

## **Background Paper**

- o <u>The Luanda Declaration -- Towards an Atlantic Charter for Sustainable Energy</u>
- **Compare Experiences with Sub-regional Energy Integration.** Participants urged the Forum to sponsor a series of exchanges among experts and public policy leaders comparing experiences across the Atlantic Basin regarding good and bad practice related to sub-regional energy integration efforts, including stakeholder engagement and various regulatory frameworks for energy transmission and distribution across borders.
- Compare Good Practice for Adaptation to Climate Change. Participants urged the Forum to sponsor exchanges among private and public experts on ways to build resilience against and adaptation to climate change as a key component of sustainable development.
- **Sponsor ''Atlantic Energy Rides''** -- field visits of experts to compare practice, methods and understand specific challenges. Three types of "energy rides" are contemplated --
  - *Fracking rides.* Visits to working fracking sites.
  - o Low carbon rides. Visits to world-class energy efficiency laboratories.
  - *Offshore rides.* Visits to offshore energy facilities.
- Consider Peer Review Mechanisms for Energy Development and for Energy Efficiency. Given the tremendous energy poverty afflicting parts of the South Atlantic, a Peer Review Mechanism for Energy Development may be more pressing than one focused on energy efficiency. Yet a point of orientation for both may be APEC's voluntary Peer Review mechanism for energy efficiency, which seeks to share information on energy efficiency; provide opportunities for learning from other economies' experiences and for broadening the network among energy efficiency policy experts; explore how energy efficiency goals on an overall and/or sectoral basis and action plans could be effectively formulated in each economy under review, taking into account the diversity of possible strategies that could be used, according to the circumstances of individual economies; monitor progress toward attaining energy



efficiency goals; provide recommendations for voluntary implementation on how implementation of action plans could be improved.

# Next Steps

The AEF secretariat was tasked with exploring ways to implement these actions. In addition,

- The Center for Transatlantic Relations plans to release a new book on changing Atlantic Energy Dynamics in early February 2015.
- The Eminent Persons of the Atlantic Basin Initiative plan to convene in Lisbon, Portugal in spring 2015 to launch the Atlantic Business Forum.
- The next high-level meeting of the Atlantic Energy Forum will take place in November 2015.

*Further funding will be key to the success of the Initiative*. Individual Members can be helpful in this regard. In the meantime the Initiative must proceed step-by-step and only take on tasks that it can reasonably complete until greater funding and staff capacity can be built. Funding priorities include

- Support for the work of the small secretariat at the Johns Hopkins Center for Transatlantic Relations
- Support for the Atlantic Energy Forum
- Support for public events promoting the Initiative
- Support for Atlantic Peer Review mechanisms and expert meetings.